SB 489 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 4/6, 4/13

WHAT THE MEASURE DOES:

Removes 14-day limit for retroactive authorization of temporary disability compensation. Requires written notice of suspension of temporary disability compensation no later than date on which compensation would otherwise have become payable. Prohibits insurer or self-insured employer from taking credit or offset against any workers' compensation benefit or payments due to worker that were paid more than two years before credit or offset would be taken or in amount greater than $5,000 for any claim of worker with insurer or self-insured employer. Provides exception for overpayments caused by fraud.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Temporary disability or time loss is a wage replacement benefit designed to compensate a worker who has missed work and lost wages due to a work injury. Time loss rates are calculated as 66.6 percent of a worker's average earnings with a minimum and maximum benefit. A worker who is able to return to work, but is earning less because of the injury, is eligible for time loss benefits reduced based on wages paid by the employer. Time loss must be authorized by the worker's attending physician with the finding that the worker is medically stationary, meaning further treatment or time will not improve the worker's condition. Current law allows an attending physician to retroactively authorize time loss benefits up to 14 days.

Senate Bill 489 makes three changes to Oregon's workers' compensation laws. First, the measure removes the 14-day limit on retroactive authorization of time loss benefits. Second, it prohibits an insurer or self-insured employer from suspending time loss payments without notifying the worker in writing of the basis for the suspension. Finally, the measure prohibits an insurer or self-insured employer from recovering overpayments not cause by fraud against future benefit payments for benefits paid more than two years before or for amounts greater than $5,000 for any claim. If enacted, the measure would apply to benefits and payments that become payable on or after January 1, 2022.